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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 04/14/06

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, April 13

NIHON KEIZAI (Page 2) (Full)
April 14, 2006

09:54

Arrived at Kantei.

10:58

Attended a meeting of the Lower House Special Committee on Administrative Reform.

12:04

Returned to Kantei.

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14:20

Attended a meeting of the Lower House Special Committee on Administrative Reform.

18:59

Met with State Minister in Charge of Science and Technology Matsuda, Council for Science and Technology Policy member Abe and others.

20:46

Returned to residence.

4) Inamine softens attitude toward Futenma relocation

ASAHI (Page 1) (Full)
April 14, 2006

Okinawa Governor Keiichi Inamine told a press conference yesterday that Okinawa Prefecture will demand a new set of preconditions from the Japanese government to replace a '15-year time limit' and other previously set preconditions in return for approval of a recently re-modified plan to relocate the US Marine Corps' Futenma Air Station to a site across the Cape Henoko in the island prefecture's northern coastal city of Nago. Inamine said he would do so if the remodified plan, now agreed on between Tokyo and Nago, is incorporated in a final report on the realignment of US forces in Japan. The governor also said he would "uphold" his stance of seeking as before to relocate Futenma airfield elsewhere outside his prefecture in case the airfield will not be relocated to a site in waters off the coast of Henoko as initially planned. However, his press remarks yesterday denote a flexible stance by calling on the government to make concessions in the area of preconditions.

Inamine will meet with Prime Minister Koizumi after the final report on the US military's realignment is released, according to Okinawa prefectural government officials. Okinawa Prefecture wants to have its standpoint reflected in a cabinet decision on the remodified Futenma relocation plan, the officials said.

Okinawa Prefecture had previously set two preconditions for its consent to the government's initial plan to relocate the heliport functions of Futenma airfield to a site in waters off the coast of Henoko in the city of Nago. In concrete terms, Okinawa called for Tokyo to tag on a 15-year time limit to the U.S. military's use of the planned replacement facility for Futenma airfield in order to prevent it from becoming permanent. In addition, Okinawa has also preconditioned its approval of Futenma relocation to Nago on building a dual-purpose airport for joint military and civilian use as a future asset of the island prefecture's people. These two preconditions "were set for the initial plan," Inamine recounted. "If there's another agreement," he added, "we'll have to reconsider (new preconditions)."

In October last year, the Japanese and US governments released an interim report on their still-ongoing talks over the US military's realignment, incorporating their agreement to relocate Futenma airfield to the cape of Henoko. At the time, Inamine commented on that Henoko coastal relocation plan as "absolutely unacceptable." In his remarks yesterday, however, Inamine only said the Okinawa prefectural government would firmly maintain its previous stance.

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"Nago City and the government have now concurred (on the remodified Futenma relocation plan), so we cannot raise a straightforward objection," a senior official of the Okinawa prefectural government said. This local official went on: "I don't mean to accept the Henoko coastal relocation plan. Well, whatever, we will try to settle other realignment issues as well."

Inamine also implied his intention to give his positive evaluation to the final report if it incorporates an intergovernmental agreement to move about 8,000 US Marines from Okinawa to Guam or elsewhere and to return US military bases located south of Kadena airbase. "Then I can take it as considerable progress (in the government's efforts to alleviate Okinawa's base-hosting burden)," he said.

In the meantime, Koizumi told reporters at his office yesterday evening that the government would like to continue its sincere efforts as ever.

5) US OK's V-airstrip plan

YOMIURI (Page 2) (Full)
April 14, 2006

Japan and the United States held an intergovernmental meeting of consultations in Tokyo yesterday on the realignment of US forces, with senior officials for foreign and defense affairs attending. Japan explained that the Japanese government has basically agreed with Okinawa Prefecture's Nago City on a remodified plan to lay down a V-shaped pair of airstrips at the site of a new airfield to be built in a coastal area of Camp Schwab in Nago to take over the heliport functions of the US Marine Corps' Futenma Air Station in the island prefecture's city of Ginowan. The United States also consented to the remodified plan. But the two governments were not on the same wavelength on sharing the cost of moving US Marines from Okinawa to Guam, however.

6) General agreement reached on splitting the relocation of Futenma's air refueling planes; 2-plus-2 likely on May 2nd

SANKEI (Page 2) (Excerpt)
April 14, 2006

It was learned yesterday that in connection with the realignment of US forces in Japan, the Japanese and US governments have reached a basic agreement on a proposal to split the fleet of KC-130 air refueling planes now at Futenma Air Station (Ginowan City in Okinawa Prefecture), sending some to the Maritime Self-Defense Forces' Kanoya Base (Kagoshima Prefecture) and the rest to the US Marines' Iwakuni Air Station (Yamaguchi Prefecture). Coordination is going on now to convene a meeting of the Security Consultative Committee (2-plus-2), consisting of the foreign and security affairs cabinet ministers of the two countries, in order to seal the final agreement.

7) Nukaga proposes fiscal disbursements for Guam relocation to Lawless

MAINICHI (Page 1) (Full)
April 14, 2006

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Defense Agency Director General Fukushiro Nukaga held talks with US Deputy Undersecretary of Defense Richard Lawless in Tokyo last night. In the meeting, the defense chief expressed the government's willingness to earmark funds from the general account and extend loans to cover Japan's share of the cost of relocating US Marines from Okinawa to Guam. Japan had previously presented a plan to loan 2.5 billion dollars, or 300 billion yen, for US military housing in response to the US call for bearing 75% of the 10 billion dollars, or 1.18 trillion yen. But the government will now study the option of disbursing funds from taxes to allow the country to bear up to 50% of the total cost, including loans.

Prior to the Nukaga-Lawless meeting, senior foreign and defense officials of the two countries held talks in Tokyo yesterday on the realignment of US forces in Japan. But a gap remained wide apart between Japan, which called for a smaller relocation cost, and the US, which reiterated its demand. They will meet again today.

8) Guam relocation cost: Tokyo undertaking coordination on direct payment in addition to 3 billion dollars in loans

ASAHI (Page 2) (Excerpts)
April 14, 2006

The government has started considering bearing the cost of relocating about 8,000 US Marines in Okinawa to Guam, the focus of USFJ realignment, at national expense (real water spending - the total amount of the spending minus the amount that will not involve the actual spending from money from the state treasury) in addition to the already-indicated loans worth 3 billion dollars or approximately 350 billion yen. The Japanese side during a Japan-US working-level talks of officials responsible for foreign and defense affairs on April 13 called for a revision to the base of the cost calculations by the US, which totaled 10 billion dollars, and a reduction in the amount to be covered by Japan, which is now set at 75% (7.5 billion dollars or approximately 880 billion yen). Tokyo and Washington have started coordinating views on the shares of the relocation cost with a view to possibly settling the issue at the cabinet minister level.

9) Nukaga suggests talks with Rumsfeld to reach political settlement on Guam relocation issue

NIHON KEIZAI (Page 2) (Excerpts)
April 14, 2006

Defense Agency Director Fukushiro Nukaga held talks yesterday with US Deputy Under Secretary of Defense Richard Lawless, who was visiting Japan for a meeting of senior foreign and defense officials of the two countries. Touching on the relocation of US Marines from Okinawa to Guam, a focal point in the realignment of US forces in Japan, Nukaga asked for a reduced total cost, which is estimated by the US at 10 billion dollars. Lawless rejected Nukaga's request. As a result, Nukaga sounded out Lawless about the possibility of talks with US Secretary of Defense Ronald Rumsfeld to settle the issue.

The defense chief also asked that Navy and Air Force facilities

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and other items unrelated to the Marine relocation be excluded from the cost. Tokyo and Washington also clashed in the talks between foreign and defense officials of the two countries ahead of the Nukaga-Lawless meeting. They failed to find common ground. Officials of the two countries will meet again today. A failure today may result in another round of talks in Washington next week.

Vice Defense Minister Takemasa Moriya said in a press conference yesterday, "Although administrative-level talks are underway, the matter will have to be settled at a higher level." Moriya thus suggested that Nukaga would visit the US in the end to aim at a

cabinet-level agreement.

10) Data on Misawa base construction workers uploaded to Internet via Winny

ASAHI (Page 39) (Full)
April 14, 2006

Lists of vehicles and construction workers allowed to enter US Misawa Air Base in Misawa, Aomori Prefecture, have been uploaded to the Internet from a personal computer running Winny file-sharing software. Mitsui Engineering & Shipbuilding Co. revealed yesterday that the data have leaked from its subcontractor.

Included in the lists were permits to go through the base's gate and personal information, such as the genders of construction workers and their dates of birth.

Data on 77 vehicles and 109 construction workers have been uploaded to the Internet, according to the Mitsui Engineering public affairs office.

According to the office, the company subcontracted the US military's refurbishing project to a construction company in Hachinohe in the prefecture last September. A female interpreter hired by the construction company brought home a floppy disc containing the data in question. The files are believed to have been uploaded to the Internet from her computer that was running Winny.

11) MPD to urge Chinese Embassy officials, including counselor, to appear for questioning over illegal employment allegedly aided and abetted by them, aims to shed light on unaccountable money amounting to 200 million yen

YOMIURI (Top play) (Excerpts)
April 14, 2006

As part of investigations into the case of illegal Chinese workers allegedly aided and abetted by Zhang Jian, 51, president of the Chinese Business Consultancy, located in Chuo Ward, Tokyo, a firm that is linked closely to the Chinese Embassy in Tokyo, the Tokyo Metropolitan Police Department's (MPD) Public Safety Bureau (PSB) began taking necessary proceedings to urge two Chinese Embassy officials, including a counselor, 51, to appear for questioning, according to information obtained by the Yomiuri Shimbun. Zhang is alleged to have taken advantage of the embassy's credibility and collected some 200 million yen in a nontransparent way over the past seven or so years. The PSB has determined it is necessary to question Zhang in its efforts to

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shed light on how the money has been used and what links he has to the China-Taiwan reunification movement he has advanced.

The PSB plans to question a counselor at the embassy's consular section and a senior official at its commerce section on a voluntary basis. Reportedly, the PSB yesterday asked the Foreign Ministry to take necessary proceedings to get the two to appear for questioning.

This is the first case of Japanese police urging Chinese diplomats to appear for questioning. But they may refuse to appear or to respond to questioning, as diplomats are granted diplomatic immunity from investigations by the host nation.

According to police investigations, it has been verified that Zhang since around 1990 illegally renewed the resident statuses of some 70 Chinese by making them appear as though they were hired by the Chinese Business Consultancy, and he received 20 million yen or so from about 20 such Chinese. It has been also confirmed that Zhang has received about 100 million yen, but who sent the money remains unknown.

In addition, Zhang since 2002 has run interpretation courses for Chinese living in Japan to become interpreters for the Japanese

police and has collected nearly 70 million yen from some 200 such Chinese.

The counselor in question at the Chinese Embassy arrived in Japan in March 2003. Later, he became a frequent visitor at the consulting firm located at Ginza, Tokyo. Last August, he was seen attending along with Zhang a meeting focused on such themes as China-Taiwan reunification as advocated by the Chinese government, held in Minato Ward.

12) Agriculture Minister Nakagawa counter call for resumption of beef imports in telephone dialogue with his US counterpart

SANKEI (Page 2) (Full)
April 14, 2006

Minister of Agriculture, Forestry, and Fisheries Nakagawa yesterday evening discussed on the phone Japan's ban on US beef imports with US Secretary of Agriculture Johanns. Johanns strongly called for the reinstatement of the beef trade, noting, "Lawmakers' patience will reach an absolute end once they return from their Easter holiday." Referring to the fact that meat-and-bone meal, which is believed to be the method of BSE transmission, is being used in the US as feed for pigs and birds, Nakagawa countered, "Refaining from using meat-and-bone meal as much as possible will help Japanese consumers feel that US beef is safe."

The two also agreed to meet this month on the sidelines of a cabinet ministerial meeting of the World Trade Organization (WTO) in Geneva.

13) Congress' patience reaching absolute end, US secretary of agriculture tells Agriculture Minister Nakagawa

YOMIURI (Page 9) (Full)
April 14, 2006

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Minister of Agriculture, Forestry and Fisheries (MOFA) Nakagawa yesterday evening held telephone conference with his US counterpart Mike Johanns to discuss the issue of the second ban on US beef imports by Japan. Johanns called for a resumption of beef imports at an early date, saying, "The Congress' patience is reaching an absolute end." However, Nakagawa stood firm in his cautious stance, noting, "Let's press ahead with the process step by step." He pointed out: "If the US restricts the use of meat-and-bone meal as feed as Japan does, Japanese consumers will gradually determine that US beef is safe." Johanns simply noted, "I will convey your point to officials responsible for the issue."

14) Clash between LDP, Minshuto over administrative reform bills in Diet, with one reply after another coming from government side indicating deferment

SANKEI (Page 5) (Excerpts)
April 14, 2006

The House of Representatives Administrative Reform Special Committee conducted intensive deliberations yesterday, with Prime Minister Junichiro Koizumi participating. The committee has spent about 50 hours since the start of substantive deliberations on five bills related to promoting administrative reform. On specific measures, including a net reduction in the number of public servants, however, one reply indicating postponement after another came out from the government side. Although the Democratic Party of Japan (Minshuto) presented a counterproposal yesterday, time is running out. The Koizumi administration came up with administrative reform legislation, defining it as "the roundup of Koizumi reforms," but not much time has been left for wrangling over the key bills between the ruling and opposition parties in the Diet.

"Does Minshuto see the number of public servants to be reduced as

insufficient? The party should make its stance clearer," said the prime minister regarding a bill designed to reduce the number of national government employees by more than 5% over five years. This measure is viewed as the most difficult challenge among the five administrative reform bills in the face of resistance from bureaucrats.

On top of that, the Hokkaido Development Bureau, a branch office of the Land, Infrastructure, and Transport Ministry, is negative about the plan. The prime minister instructed the Liberal Democratic Party to achieve a net reduction of 20 to 30%, but Transport Minister Kazuo Kitagawa made remarks cautious about the plan during deliberations on April 10. Kitagawa said: "Hokkaido has its own special characteristics," exposing a lack of unity in the government.

15) Passage of bill amending Basic Education Law during current Diet session uncertain without extension

YOMIURI (Page 4) (Excerpts)
April 14, 2006

Following the agreement reached on April 13 between the ruling Liberal Democratic Party (LDP) and its coalition partner New Komeito over the amendments to the Basic Education Law, the government and ruling parties appear to be aiming at passing a

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bill amending the law through the current Diet session. However, only about two months are left until the end of the session, so the view is that there is not enough time to deliberate such an important bill. Therefore, whether the bill will clear the Diet this session remains uncertain.

Chief Cabinet Secretary Shinzo Abe yesterday told LDP Secretary General Tsutomu Takebe that the government would hurriedly draft its own bill based on the ruling coalition's proposal. "We aim at passing the bill during the current Diet session," he said.

The government intends to submit the bill amending the education law in late April before the Golden Week holiday period. The dominant view in the ruling camp, however, is that the bill will be submitted after the holidays in early May since there are other bills still being deliberated. Some LDP lawmakers remain opposed to the ruling camp's proposal, which was made because the LDP accepted the New Komeito's request to alter the description of "patriotism" and other points. The expectation is that it will take time for the LDP to reach an internal consensus.

Given the situation, a senior New Komeito lawmaker commented:

"If the government aims to pass the bill through the Diet after deliberations in the education committees of both Diet chambers, an extension of the current Diet session will be absolutely necessary. If the current session is not extended, special committees will be needed to discuss the bill."

This view is gaining ground in the ruling coalition parties.

LDP General Council Chairman Fumio Kyuma indicated yesterday that it would be difficult to pass the bill during the current Diet session, saying, "Passing this important bill will be difficult even if the term of the session is extended."

16) Minshuto's Kan says he will not run in September party leadership race; "Mr. Ozawa will work to win support from rural areas, I will work the urban areas" to win support for next Upper House election

NIHON KEIZAI (Page 2) (Full)
April 14, 2006

Minshuto (Democratic Party of Japan) deputy head Naoto Kan in an interview yesterday with the Nihon Keizai Shimbun revealed that President Ichiro Ozawa would do his best to build party support in rural areas and to strengthen party ties with industrial

organizations, while he would make efforts to expand support in urban areas in order to win seats in the House of Councillors election next summer.

Since Ozawa assumed the presidency, the largest opposition party has cited as a top priority the party's strategy for the next Upper House election. Kan stressed: "Mr. Ozawa will visit the rural areas where there are many single-seat constituencies up for reelection. I will work on the younger generation and on retired people in the urban areas."

Kan said, "I have no intention" to run in the September party presidential election. He added, "I am determined to work hard under the leadership of Mr. Ozawa so that the party will win the

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Upper House and the next Lower House elections." He emphasized the importance of dealing with such issues as administrative and fiscal reform and the widening social gap. As to the party's basic policy on foreign and security policy, he said, "No need to hurry."

Kan stated: "Mr. Ozawa has greatly changed because he is now talking to the public straight. I will do my best not to show my temper in public." At a press conference prior to this interview, Kan remarked, "Prime Minister Junichiro Koizumi may be afraid of Mr. Ozawa who was way above him when he belonged to the Liberal Democratic Party."

17) Hatoyama indicates possible linkage with non-mainstream forces in LDP in Diet vote on prime minister

SANKEI (Page 5) (Full)
April 14, 2006

Democratic Party of Japan (Minshuto) Secretary General Yukio Hatoyama indicated last night that if Chief Cabinet Secretary Shinzo Abe is elected in the Liberal Democratic Party presidential election in September, Minshuto, led by Ichiro Ozawa, might pursue a conservative-centrist administration by joining hands with non-mainstream forces in the LDP in a Diet vote to be held afterward to choose the prime minister. He made the remarks on a Asahi TV satellite program.

Keeping in mind the possibility of Abe being elected prime minister, Hatoyama said: "If the administration continues to take a rightist diplomatic stance, conservatives and centrists (in the LDP and Minshuto) could team up, and a mighty swell would eventually result."

Touching on the Diet vote on the prime minister, Hatoyama said: "(Those who support candidates other than Abe) should leave the LDP and vote for Ozawa." He then indicated the possibility that Minshuto could vote for a defeated LDP candidate, with the aim of "toppling the LDP administration."

18) LDP's Tanigaki faction characterizes in policy proposals Japan's relations with neighboring countries as abnormal, calls for change in Koizumi's policy

YOMIURI (Page 4) (Full)
April 14, 2006

The Tanigaki faction in the Liberal Democratic Party (LDP) revealed yesterday the draft of its policy proposals. The proposals will become the faction's platform if Finance Minister Sadakazu Tanigaki runs in the September party presidential race. The faction suggests a revamping of Prime Minister Junichiro Koizumi's foreign and domestic policies, and it points out drawbacks of the government's structural reform drive. The paper also characterizes Japan's present relations with Asian countries as "abnormal diplomacy."

The faction has titled the set of proposals, "In search of the ties that bind human beings and society." The paper is composed of the general views and 17 specific ones, and will serve as an

interim report, with the final set of proposals to be released in May.

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Though praising the achievements of the Koizumi government, the faction assesses the government's structural reform programs as lacking compassion for the losers in society and consideration for the socially weak -- attributes seen as virtues of the Japanese people -- since the government excessively focuses on economic rationality.

Regarding the tax hike issue, the draft underscores that it is only natural for politicians to make thoroughgoing preparations in order to obtain public understanding.

On foreign policy, the faction calls for reviewing foreign policy toward Asia, including improvement in relations with China, stressing that Japan should correct the abnormal situation that exists in its relations with neighboring Asian countries in a bid to win their understanding.

19) Komura faction prioritizes Asia policy in policy platform, with eye on LDP presidential election

ASAHI (Page 4) (Full)
April 14, 2006

Komura faction chairman Masahiko Komura of the Liberal Democratic Party (LDP) gave a press conference at a Tokyo hotel yesterday and gave a briefing on his faction's policy platform for the LDP presidential election in September. The platform, titled, "A Japan with security and dreams," includes these slogans: "Maintain and develop favorable relations with Asian countries"; "Achieve a 4 % - 5 % nominal growth and 2 % -3 % real growth"; and "Create a society in which child rearing is easy."

If Komura runs in the presidential race, the faction will use it as his election platform, and otherwise, it will use it as standards to determine whom the faction will support.

In the press conference, Komura praised Koizumi's reform drive to some extent, noting "its basic direction, including the transfer of authority from the central government to local governments, and from the bureaucracy to the private sector." But he also underscored his own policy identity, saying: "It is necessary to promote ethics reforms that give consideration to security and safety, instead of leaning toward efficiency."

Komura criticized Prime Minister Koizumi's Asia policy, commenting: "The administration should pursue diplomacy making use of the advantages of Japan as the industrialized country closest to China and India, both of which have the highest potential for growth."

On Prime Minister Koizumi's visits to Yasukuni Shrine, Komura said: "Unless Yasukuni Shrine comes up with some sort of idea, there will be no resolution of the issue," but he presented no specific plan.

SCHIEFFER